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www.health.ri.gov/hsr/healthsystems/index.php

Certificate of Need (RIGL Chapter 23-15)

Summary of the Statutory Review and Decision Process

Letter of Intent form:

www.health.ri.gov/hsr/healthsystems/applications/LetterOfIntent.doc

Certificate of Need Application Form:

www.health.ri.gov/hsr/healthsystems/applications/InitialLicensure.doc

Background

The Certificate of Need (CON) program is designed to prevent unnecessary duplication of expensive medical services and equipment. The CON process is a two-step process that consists of a Letter of Intent (LOI) and the CON application.

Through the LOI process the applicant is required to file a detailed form of the project intent, description and cost **at least 45 days prior** to filing a CON application.

A CON is required for, but not limited to, the following activities:

- A. construction, development or establishment of a new healthcare facility
- B. a capital expenditure for:
 - 1. health care equipment in excess of \$1,000,000 (tertiary or specialty care services such as full body MRI, CT, etc. require CON review regardless of cost)
 - 2. construction or renovation of a health care facility in excess of \$2,000,000
 - 3. an acquisition by or on behalf of a health care facility or HMO by lease or donation
 - 4. acquisition of an existing health care facility, if the services or the bed capacity of the facility will be changed, in the following ways:
 - a. change in bed capacity which increases the total number of beds.
 - b. change in bed capacity which redistributes beds among discrete services (e.g., obstetrics, pediatrics, medical, surgical) or levels of care (e.g., intensive coronary, special, post acute, skilled nursing, intermediate, rehabilitative) or

relocates beds from one physical facility or site to another by ten (10) beds or 10%, whichever is less, in any two year period.

- c. the addition of a health service not provided in or through the facility throughout the previous twelve (12) months.
 - d. the termination of a health service provided in or through the facility.
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- C. any capital expenditure which results in an increase in bed capacity of a hospital and inpatient rehabilitation centers (including drug and/or alcohol abuse treatment centers).
 - D. any capital expenditure which results in an increase in bed capacity of a nursing facility in excess of 10 beds or 10% of facility's licensed bed capacity, which ever is greater.
 - E. the offering of a new health service with annualized costs in excess of \$750,000
 - F. predevelopment activities not part of a proposal, but which cost in excess of \$2,000,000
 - G. establishment of an additional inpatient premise of an existing inpatient health care facility
 - H. tertiary or specialty care services: full body MRI, CT, cardiac catheterization, positron emission tomography, linear accelerators, open heart surgery, organ transplantation, and neonatal intensive care services. Also, expansion of an existing tertiary or specialty care service involving capital and/or operating expenses for additional equipment or facilities is reviewable.

The information provided herein is not a formal interpretation or legal analysis of the general statute or rules and regulation issued by HEALTH.

RI General Laws can be located here: <http://www.rilin.state.ri.us/Statutes/TITLE23/23-15/INDEX.HTM>

Rules and Regulations can be located here:
<http://sos.ri.gov/documents/archives/regdocs/released/pdf/DOH/5342.pdf>